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Congress of the United States
U.S. House of Representatives
COMMITTEE ON WAYS AND MEANS

WASHINGTON, DC 20515

SUBCOMMITTEE ON HEALTH

March 27, 2006

Dr. Mark McClellan
Administrator of the Centers for Medicare and Medicaid Services
200 Independence Avenue, SW
Washington, DC 20201

Dear Dr. McClellan:

Let me commend you and your staff for your hard work and dedication in helping our seniors choose a prescription drug program that suits their individual needs. No one imagined so many plans would participate. As a result, premiums are very affordable and many seniors are realizing many thousands of dollars in savings.

As the first Medicare Part D enrollment period is coming to an end, I know CMS is preparing for 2007 by updating and improving on your current educational materials. Continued success will depend on the availability of educational materials and assistance. Only clear and timely information will enable beneficiaries to enroll in the plan most useful to them.

I would appreciate a review of the steps you have taken in recent months and those you are planning to take to make sure that information on Medicare prescription drug coverage meets beneficiary needs. As a part of your response, please include answers to the following specific questions on the *Medicare & You* Handbook, the 1-800-MEDICARE system, the Medicare.gov Website, and the beneficiary appeals process.

Medicare and You Handbook and Other Educational Written Materials

- How have you expanded the *Medicare & You* handbook to reflect the new prescription drug benefit?
- How do you ensure that the information the Handbook contains is accurate?
- How do you know if Medicare beneficiaries will understand the materials you provide to them about all the Medicare benefits? Are there specific measures you use?

1-800- Medicare

- What steps have you taken to ensure that Medicare beneficiaries are getting accurate information from 1-800-Medicare when they call?
- What types of questions were asked by beneficiaries in January, and how often do the customer service representatives answer them correctly?
- Given the high volume of calls 1-800-Medicare is receiving, what is CMS doing to ensure beneficiaries are able to speak to someone in a reasonable amount of time?
- How satisfied are beneficiaries in their interactions with CSRs from 1-800-Medicare?
- What was the average wait-time for 1-800-Medicare in January? What is it now? What are the wait times for beneficiaries? Pharmacists? Plans?
- Are you prepared for a surge of sign-ups before the May 15th deadline, and what steps have you taken to be sure the plans are prepared?

Medicare.gov

- What process do you use to design and test the Plan Finder part of the CMS Website to ensure it functions accurately and easily?
- How do you know whether the information provided via the website is useful to beneficiaries?
- How many beneficiaries have used the website? Does CMS know how many care givers have used it to assist their family members or friends to enroll in the benefit?

Appeals Process

- Formularies will go into affect on April 1, 2006, following the 90-day transition period put into place by CMS. With the imposition of formularies, CMS can anticipate a greater number of formulary appeals, including which drugs are covered, the tiering structure, prior authorization requirements, and other issues. Are the plans prepared to implement the appeals process? Are forms easily available? Will responses be timely? How will CMS address beneficiary appeals that come to the agency after going through the plan process?

Enrollment in Multiple Plans

- As many as 700,000 duals and low income beneficiaries are utilizing one plan when CMS has a different plan as their "plan of record." How is CMS addressing this situation? How will communication with beneficiaries be handled?
- Before a disenrollment process, some plans will have provided benefits for enrollees who ultimately ended up in other plans. This will require reconciliation of payment which poses many technical issues, since contracted rates will vary

among plans and this information is proprietary. How is CMS planning to reconcile payments between plans?

Part B versus Part D Payment

- CMS guidance on Part B versus Part D coverage contains many exceptions and gray areas for which much liability may be incurred by a plan or employer which elects to receive a subsidy. What is CMS doing to address issues of confusion regarding overlap in drug coverage between Part B and Part D? How will beneficiaries be notified about coverage of drugs common to both programs?

Thank you for your attention to these important issues. We intend to hold a hearing on implementation of the Part D benefit to focus on the steps CMS is taking to encourage beneficiaries to sign up. In anticipation of that hearing, I look forward to your timely response to this request no later than Friday, April 21, 2006.

Best regards,



Nancy L. Johnson
Chairman, Subcommittee on Health
Committee on Ways & Means